

## Notice of Release of Liability on Used Vehicle Rollback

### New Information

Whenever a **used vehicle** sale is completed and the buyer subsequently returns the vehicle to the dealer (commonly referred to as a “used vehicle rollback”), the buyer must submit a Notice of Release of Liability (REG 138) to the Department of Motor Vehicles (DMV).

### Procedures

Continue to process “used vehicle rollbacks” as usual. Inform the buyer that, because the sale was completed, the buyer is considered the vehicle’s new owner, and a REG 138 must be submitted to DMV.

### Background

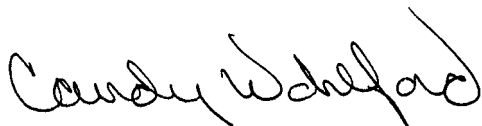
New legislation referred to as the “Car Buyer’s Bill of Rights” effective July 1, 2006, requires a dealer to offer vehicle buyers a two-day contract cancellation option for used vehicles valued under \$40,000. The buyer may drive the vehicle up to 250 miles in the two days and return the vehicle for any reason. It must be in substantially the same condition as received at the time of delivery and by the terms specified in the contract. With the advent of this legislation, used vehicle rollbacks may occur more frequently.

### Distribution

Notification that this memo is available online at [www.dmv.ca.gov](http://www.dmv.ca.gov) under Publications was made via e-mail alert in April 2006.

### Contact

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.



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